

Senate File 2326 - Introduced

SENATE FILE _____
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3108)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act barring insurers from requiring repair businesses to buy
2 parts and supplies from specified sellers and providing
3 penalties.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 5857SV 82
6 av/sc/14

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1 1 Section 1. Section 507B.4, Code Supplement 2007, is
1 2 amended by adding the following new subsection:
1 3 NEW SUBSECTION. 9A. UNFAIR REPAIR PRACTICES. Requiring a
1 4 repair business that performs repairs, on behalf of an
1 5 insurer, to the property of an insured or beneficiary to buy
1 6 supplies and parts from a seller or list of sellers specified
1 7 by the insurer. An insured, beneficiary, or repair business
1 8 may submit a written, documented complaint to the commissioner
1 9 alleging a violation of this subsection.

1 10 EXPLANATION

1 11 This bill prohibits an insurer from requiring repair
1 12 businesses that perform repairs, on behalf of the insurer, to
1 13 the property of an insured or beneficiary to buy supplies and
1 14 parts from a seller or list of sellers specified by the
1 15 insurer.

1 16 The bill defines such practices of insurers or their agents
1 17 as prohibited unfair methods of competition and unfair or
1 18 deceptive acts or practices in the business of insurance. An
1 19 insured, beneficiary, or repair business may submit a written,
1 20 documented complaint to the commissioner of insurance alleging
1 21 a violation of the bill's provisions.

1 22 Pursuant to Code section 507B.7, a violation of the bill is
1 23 punishable by a civil penalty assessed by the commissioner of
1 24 insurance of not more than \$1,000 for each act or violation,
1 25 but not to exceed an aggregate of \$10,000, unless the person
1 26 knew or reasonably should have known the person was in
1 27 violation of the bill, in which case the penalty shall not
1 28 exceed \$5,000 for each act or violation, and not be more than
1 29 \$50,000 in the aggregate. A violation of the bill may also
1 30 result in the suspension or revocation of the violator's
1 31 license.

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